

FISCAL IMPACT STATEMENT ON BILL NO. **S.1129**

(Doc. No. 3801dw08.doc)

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TO:	The Honorable David Thomas, Chairman, Senate Banking and Insurance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Kenneth Brown and Torina Wood		
DATE:	February 27, 2008	SBD:	2008124

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AUTHOR:	Senator Thomas	PRIMARY CODE CITE:	38-60-10
SUBJECT:	South Carolina Healthnet Program		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

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**BILL SUMMARY:**

The Bill would create a five-year pilot program to promote the availability of health insurance coverage to employees regardless of health state or claims experience, prevent abusive rating practice and require disclosure of rating practices to purchasers, provides for the composition and authority of the Board of Directors, provides for establishment of criteria for plan administration, rates, provider participation, allows eligible health insurers to offer and market plans developed by the South Carolina Healthnet Program.

**EXPLANATION OF IMPACT:**

Department of Insurance

The Department of Insurance indicates that this Bill would require recurring additional General Funds of the State totaling \$77,700. Funds would be used to cover salary and fringe benefits for a Program Manager I (\$75,000) to serve as Department liaison to the board of the South Carolina Healthnet Program and operating expenses of \$2,700. This liaison would provide input into design and implementation of insurance programs to include review of rates, plans and selection of acceptable vendors. One time funding of \$5,050 would be needed for computers, telephone and furnishings. Therefore, first year total costs are estimated at \$82,750. The Department did not indicate there would be any cost to the State for the operations of the HealthNet program and no cost estimates for the operation of this program are contained in this impact.

Department of Health and Human Services

The Department of Health and Human Services reports this Bill, as written, will have no impact on the General Fund of the State or Federal and/or Other funds.

**SPECIAL NOTES:**

The General Assembly may wish to clarify if the HealthNet program and its operations are to receive state funds for any aspect the administration of this program including functions of the Board of Directors.

Approved by:



Harry Bell  
Assistant Director, Office of State Budget